

MEMORANDUM

NATIONAL SECURITY COUNCIL

~~SECRET~~

ACTION

January 22, 1975

MEMORANDUM FOR: SECRETARY KISSINGER
FROM: JAN M. LODAL
SUBJECT: Defense Review

I understand that Secretary Schlesinger agreed with you in principal that we should conduct a comprehensive defense review. I had submitted a suggested NSSM to this effect with an earlier memo (Tab II). My understanding is that you and Schlesinger did not agree on this particular text; thus, I have taken the liberty of drafting a new NSSM which I believe is a considerable improvement (Tab A).

Coming up with appropriate wording for this NSSM was extremely difficult. In doing so, I was motivated by the following considerations:

-- If it sounds too much like a "scrub" of Schlesinger's budget, you will end up in another jurisdictional dispute with both Schlesinger and OMB.

-- Nonetheless, the study cannot ignore budgetary realities. The greatest present threat to our defense program comes from the pursuit of marginal qualitative improvements at such high costs that they will force major cuts in the size of our force structure.

-- The study has to look seriously at our strategy -- what contingencies do we want to plan against.

-- We must deal with the major criticisms leveled against our present defense policies. This must be done despite the strong bureaucratic interests that wish to cover up any serious review.

~~SECRET - XGDS~~

I feel very strongly about this NSSM. Notwithstanding Schlesinger's relative success at keeping the budget up last year, I think we face something close to a crisis in the defense program. The President is left with no significant force modernization alternatives other than ones which are so costly they're out of the question. To procure by 1985 a new force of B-1s, Tridents, F-14s, F-15s, F-16s, A-10s, AWACS, additional tanks, and new Navy ships using the equipment now being developed will require a massive increase in DOD procurement dollars.

Finally, I believe that this NSSM must be signed by the President. First, this will give it considerable added authority with Schlesinger and others in the Pentagon. Second, a major defense review such as that called for by this NSSM is of such overwhelming importance that it deserves the President's personal involvement from the beginning. Thus, I have enclosed a memorandum for the President (Tab I) forwarding the NSSM for his signature.

You may believe this is too ambiguous an approach. If so, I would very much appreciate a short meeting with you to discuss how we proceed concerning Presidential review of our defense program, policies, and strategy. Frankly, I am out of further ideas.

RECOMMENDATION

That you sign the memorandum at Tab I forwarding the NSSM at Tab A for the President's signature.

SECRET - XGDS

THE WHITE HOUSE
WASHINGTON

SECRET

MEMORANDUM FOR: THE PRESIDENT
FROM: SECRETARY KISSINGER
SUBJECT: Military Posture and Defense Strategy

Our current defense strategy is based upon the NSSM 3 study completed in 1969. That study represents the last comprehensive Presidential review and determination of our military posture and defense strategy. Since the international, domestic, and financial environments were substantially different in 1969 than we face today, I believe it is important to undertake a comprehensive review of our military posture and defense strategy.

We need this review to answer hard questions concerning defense strategy and policy alternatives. In particular, if some of the alternatives being discussed in the Congress and elsewhere have merit, then we should take the lead in adopting those which are preferable to current policies. On the other hand, if you determine that our current policy is the preferred approach, we should know how to answer those who argue for the alternatives in a consistent and effective manner, based on facts and sound analysis.

Rapidly increasing defense costs could lead to future budgets which we could not expect the Congress to approve. This situation may make it extremely difficult to maintain our current defense strategy and policies. In the absence of updated policy guidance, there will be a tendency to make cuts and changes predominantly where it hurts the least politically, rather than where it hurts the least strategically. These would be the wrong changes to make.

Various bureaucratic difficulties have thwarted assessments of our overall defense policy the past several years. Thus, I believe the best way to carry out such an assessment is for you personally to direct that it be done. Your involvement will give it the authority it needs with all

SECRET - XGDS

the participants. Therefore, I have attached for your consideration a NSSM by which you can direct the study I believe we need. Unless we mount such an effort, I see no way this Administration can have a coherent defense policy which provides for a sound national security posture in the face of a host of future challenges -- international, domestic, and fiscal.

RECOMMENDATION

That you sign the NSSM at Tab A.

SECRET - XGDS

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

SECRET

National Security Study Memorandum

TO: The Secretary of State
 The Secretary of Defense
 The Director of Central Intelligence

SUBJECT: Military Posture and Defense Strategy

No elements of our national security policy are more important than our military posture and defense strategy. The last comprehensive review of these matters, the NSSM 3 study, was conducted over five years ago. Since then, many significant changes have taken place. Thus, I believe it is imperative that we undertake a new comprehensive review of our military posture and defense strategy.

This review must consider all serious posture and strategy alternatives and all significant factors, including among others the threat we face, the cost of alternative force structures, our alliance and treaty commitments, our basic foreign policy objectives, the likely future nature of the international environment, and military technology. To this end, a study should be prepared looking at the 1976-1985 time period which addresses the following key questions:

-- Should we consider changing the strategy enunciated in NSDM 16 and NSDM 27, and further elaborated in the Defense Policy and Planning Guidance? Should alternative strategies, such as those analyzed in the NSSM 3 study, be given serious consideration?

-- We are likely to face continued fiscal constraints on defense spending in the foreseeable future. If defense budgets are constrained to their present level in real dollars, can we continue to carry out our present strategy?

SECRET XGDS

SECRET

2

-- Are there alternative defense program policies which might offer improvements in the balance between strategy, capabilities, and budgets?

With respect to this last question, there have been many suggestions made concerning possible changes in our defense program policies. For example, questions have been raised concerning:

-- The balance between the quality of systems on one hand, and the quantity of systems on the other.

-- The ratio of support forces to combat forces.

-- The relative emphasis between resources for readiness and resources for force structure.

-- The relationship between active and reserve forces.

-- The retention of certain bases in the United States and certain reserve components whose military contributions may be limited.

-- Resource levels allocated to counter unlikely threats and contingencies, given that funds are not available to prepare adequately for more likely contingencies.

For each of these questions and for other similar questions, alternatives to our present policies should be carefully analyzed. If an alternative is preferable, we must change our policy; if not, we must know how to answer those who argue for the alternatives in a consistent and effective manner, based on facts and sound analysis.

Tactical nuclear forces, including their role, mission, force level, and relationship to conventional and strategic nuclear forces, should be carefully considered throughout the study.

With respect to strategic nuclear forces, the study should draw heavily on the work already done in response to NSSM 191. This work should be updated in light of the understanding reached with General Secretary Brezhnev at Vladivostok.

SECRET XGDS

SECRET

This study should be prepared by an NSC ad hoc group comprised of representatives of the recipients of this memorandum and the NSC staff, and chaired by a representative of the Secretary of Defense. Each agency should make available personnel to provide staff support and to perform such studies as may be requested. Please submit the names of your agency representatives to the Assistant to the President for National Security Affairs, to whom I am assigning overall responsibility for the contents and format of the study, by January 30. An initial draft of the study should be submitted by April 15, 1975.

This study should not attempt to reach final conclusions; rather, it should develop and analyze the major defense posture and strategy alternatives available to us, carefully considering all factors. Finally, the study should highlight the full range of views held in the U.S. Government and should not attempt to compromise and adjudicate major differences of opinion.

cc: The Secretary of the Treasury
The Director, Office of Management
and Budget
The Director, Arms Control and
Disarmament Agency
The Chairman, Joint Chiefs of Staff

SECRET XGDS

MEMORANDUM

NATIONAL SECURITY COUNCIL

SECRETACTION

November 15, 1974

MEMORANDUM FOR:

SECRETARY KISSINGER

FROM:

JAN M. LODAL *JML*

SUBJECT:

Defense Strategy and Budget Alternatives

In accordance with your instructions in Moscow, I have prepared a memo from you to the President which recommends that the President issue a NSSM on defense strategy and budget alternatives for FY 77 and beyond (Tab I). Basically, this NSSM would call for an update of the NSSM 3 study done at the beginning of the Nixon administration.

The memo does not get into a detailed discussion of a review of the FY 76 program, because Schlesinger's blatant refusal to respond to your earlier directive has made it an impossible situation. There simply is not enough time left now to have a systematic review of the FY 76 defense program. However, the suggested NSSM study could be completed in time to be useful during Congressional deliberations on the FY 76 budget.

RECOMMENDATION

That you sign the memo to the President at Tab I.

Dick Kennedy
Dick Kennedy concurs.

SECRET - NGDS

THE WHITE HOUSE
WASHINGTONSECRET

MEMORANDUM FOR: THE PRESIDENT
FROM: HENRY A. KISSINGER
SUBJECT: Defense Strategy and Budget Alternatives

Inflation and wage increases are driving defense costs upward at an exceptionally fast rate. The rapid increase in costs could lead to proposed defense budgets in the future which we could not expect the Congress to approve. This situation will make it extremely difficult to maintain our current defense strategy, which we had adopted more than five years ago at a time when the financial, international, and domestic environments were substantially different from those we have today. In fact, the projected budget situation could force us to change to a new strategy attuned specifically to contemporary fiscal realities.

Background

Secretary Schlesinger and JCS Chairman Brown have been publicly signalling their concern about defense budgetary problems. Secretary Schlesinger has said that, considering unbudgeted inflation and Congressional cuts, the FY 75 defense budget is about \$11 billion below that needed to carry out DOD's programs. General Brown has made similar statements, and has added that it might be necessary to change our present defense strategy, given the present fund shortage.

Although budgetary problems have not yet forced a fundamental change in strategy, Defense already has made decisions on forces which clearly hint at future difficulties in supporting our current policies. For example, DOD has decided to:

SECRET - XGDS

RETYPE - Page 2

2

SECRET

-- Slow the procurement rate of the Trident strategic submarine by about 25%, starting in FY 76. This will force us to maintain aging, less capable Polaris and Poseidon-type submarines for a longer period of time than now planned, which could have important implications for our future strategic posture.

-- Decrease the day-to-day alert rate of the strategic bomber force by 25% in FY 76 and thereafter, reducing the operational readiness of the bomber force.

-- Reduce the number of aircraft carriers from 14 today to 12 in FY 77, and reduce forward deployments of aircraft carriers in the Mediterranean and Western Pacific beginning in FY 76. These reductions could degrade our ability to respond to crises in critical areas. Moreover, since carriers are a highly visible element of our force presence overseas, our friends and allies could perceive a reduction in carrier force levels and availability as a loosening of our willingness to support our common defense and commitments.

These force posture changes indicate that Defense's budgetary problems are real. Secretary Schlesinger is facing the prospect of having to cut upwards of \$10-15 billion out of the FY 76 budget the Services say they need to maintain our present strategy and forces. While we may be able to find some of this money in non-critical elements and needed force structure changes, we will not be able to find all of it. Therefore, the budget squeeze could very well force changes in strategy.

Updated Strategy for the Future

Given the possibility of major changes in our forces in the future, I believe it is imperative that you plan on making a comprehensive review of our worldwide strategy and the defense program next year.

Even if we did not have budget difficulties, I think it makes sense to conduct such a review as soon as possible to make it clear that you are setting the policy of your administration. Furthermore, the worst thing we can do is to make major defense program changes without a coordinated approach to doing so. In the absence of your guidance, there will be a tendency to take budgetary cuts predominantly where it hurts the least politically, rather than where it hurts the least

SECRET NCDS

Rexwh:GenS:ma:12/9/74

SECRET

strategically. These would be the wrong cuts to make. Finally, without an update of our strategy, we could have difficulty in justifying to Congress the need for supporting defense budgets at requested levels.

I believe the best way to carry out such a review is to update the NSSM 3 study on the U.S. Military Posture and the Balance of Power which President Nixon directed in 1969. The 1969 NSSM 3 study looked at various budget levels and strategies for strategic and general purpose forces, and considered security and foreign policy implications. The study provided the basis for major decisions on our worldwide defense strategy and policy.

I have attached for your consideration a NSSM which would direct an updated study of strategy and budget alternatives for FY 77 and beyond (Tab A). The NSSM would designate DOD as chairman of the inter-agency study group, and would direct the undersecretary level NSC Defense Program Review Committee to review the study prior to your consideration of the alternatives at a meeting of the NSC.

RECOMMENDATION

That you sign the National Security Study Memorandum (NSSM) at Tab A calling for a review of our worldwide defense strategy and programs.

SECRET - XGDS

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20505

SECRET

National Security Study Memorandum

TO: The Secretary of State
The Secretary of Defense
The Director of Central Intelligence

SUBJECT: U.S. Defense Strategy

I have decided that a study should be made of U.S. defense strategy for FY 1977 and beyond. The study should address in detail alternative strategies and budgets for strategic forces and general purpose forces.

In developing alternative strategies, the study should take into account, but not necessarily be limited to, the following factors:

- Composition of alternative forces.
- The relationship between strategic and general purpose forces.
- The projected threat as it relates to strategy alternatives.
- Foreign policy considerations and implications.
- Arms control considerations and implications.
- Likely resource constraints.

To the extent applicable, the study should follow the format of the NSSM 3 study on U.S. Military Posture and the Balance of Power. Also, the study should draw on the studies pursuant to NSDM 242 and NSSM 191 on nuclear policy.

SECRET-XGDS

The study should be prepared by an NSC ad hoc group comprising representatives of the recipients of this memorandum and the NSC staff and chaired by the representative of the Secretary of Defense. The study should be submitted by March 17, 1975, for review by the Defense Program Review Committee prior to my consideration at a meeting of the NSC.

cc: The Secretary of the Treasury
The Director, Office of Management and Budget
The Director, Arms Control and Disarmament Agency
The Chairman, Joint Chiefs of Staff

SECRET - XGDS

SECRET

2 (retyped)

-- Are there alternative defense program policies which might offer improvements in the balance between strategy, capabilities, and budgets?

With respect to this last question, there have been many suggestions made concerning possible changes in our defense program policies. For example, questions have been raised concerning:

-- The balance between the quality of systems on one hand, and the quantity of systems on the other.

-- The ratio of support forces to combat forces.

-- The relative emphasis between resources for readiness and resources for force structure.

-- The relationship between active and reserve forces.

-- The retention of certain bases in the United States and certain reserve components whose military contributions may be limited.

-- Resource levels allocated to counter unlikely threats and contingencies, given that funds are not available to prepare adequately for more likely contingencies.

Current assumptions and planning guidance in each of the above areas should be reviewed, in order to reconfirm or discount their continuing validity.

Throughout the study, the role, mission and force level of tactical nuclear forces, and their relationship to conventional and strategic nuclear forces should be carefully considered.

With respect to strategic nuclear forces, the study should draw heavily on the work already done in response to NSSM 191. This work should be updated in light of the understanding reached with General Secretary Brezhnev at Vladivostok.

This study should be prepared by an NSC ad hoc group comprised of representatives of the recipients of this memorandum and the NSC staff,

SECRET - XGDS

(Retyped)

SECRET

3

and chaired by a representative of the Secretary of Defense. Each agency should make available personnel to provide staff support and to perform such studies as may be requested. An initial draft of the study should be submitted by April 15, 1975.

This study should not attempt to reach final conclusions; rather, it should develop and analyze the major defense posture and strategy alternatives available to us, highlighting the full range of views held in the U.S. Government.

cc: The Secretary of the Treasury
The Director, Office of Management
and Budget
The Director, Arms Control and
Disarmament Agency
The Chairman, Joint Chiefs of Staff
The Assistant to the President for
National Security Affairs

Gen S:wgh:7 Feb 75 (retyped pgs 2 & 3)

SECRET - XGDS